

OFFICE OF THE DIRECTOR

STAT



7 December 1987

Judge--

I thought you would be interested in the conclusions from the "Covert Action" chapter of the Iran-Contra Report. They provide a strong endorsement of covert actions if done in an appropriate manner.

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cc: Bill Baker

a. In Latin American countries "[i]t should be taken to the highest level of government available in the hope that it would either influence those governments to be supportive of the Contra program and upcoming debate or at least refrain from undercutting its cause up here."⁸⁵

b. "A fully sanitized version should be made available to Ollie North, Pat Buchanan and Elliott Abrams for their purposes here. I'll leave it up to you to get the materials on to Elliott, Pat and Ollie."⁸⁶

Subsequent developments in Honduras confirmed that the Honduras "emergency" was mainly in Washington. On Tuesday, March 25, when President Reagan ordered the emergency military aid, the U.S. Commander in Chief, South, General John Galvin, arrived in Tegucigalpa to assess the situation and provide intelligence and advice to the Honduran government. President Azcona of Honduras left the capital for a seaside vacation.⁸⁷

Another example of the selective misuse of intelligence occurred in November 1986, after Casey had meetings in several Central American capitals. The local CIA station chiefs attended those meetings and cabled reports of the meetings to the C/CATF, who was to use these cables as the basis for a draft report on the Director's trip.

One of the Central American Presidents was critical of U.S. policies, particularly those supporting the Nicaraguan armed Resistance. The U.S. Ambassador in that country told Casey that most Latin American countries opposed U.S. policy in Central America. Yet, the remarks critical of U.S. policy were omitted from the draft trip report prepared for Casey by the C/CATF.⁸⁸

On November 23, Director Casey discussed his trip to Central America in a letter to President Reagan: "On Thursday, I returned . . . from . . . Central America. I found the commandantes and the fighting men of the FDN in high spirit and ready to go. In stark contrast, the leaders [of Central American countries] were scared to death that we would not stay the course . . ."⁸⁹ In fact, one of the leaders refused to meet with Casey, and another was critical of U.S. policies. Casey chose to give the President a distorted picture of the attitudes of the Central American presidents effectively reinforcing his own view of what U.S. policy should be.

Misrepresentation of intelligence also occurred in the Iran initiative. In memorandums recommending the January Findings, Poindexter told the President that Iran was in danger of losing the war with Iraq. According to Poindexter, Casey, agreed with this assessment. Yet, the Secretary of State, the Secretary of Defense, and Clair George all testified that the intelligence community was of the opposite view—that Iran had the upper hand in the war.

Secretary Shultz asserted that in connection with the Iran initiative, the intelligence "he [the President] was getting . . . was faulty about terrorism."⁹⁰ The

reason, according to Shultz, was that there was a problem of keeping "intelligence separated from policy and control over policy was very much in play and the Director of Central Intelligence wanted to keep himself very heavily involved in this policy which he had been involved in apparently all along."⁹¹

The misuse of intelligence was a subject ancillary to the mandate given the Committees by Congress. The Committees included these examples because the serious implications they pose for decisionmaking. This misuse of intelligence by a Director of Central Intelligence, the National Security Advisor, or any Senior Intelligence official, frustrates the ability of those within the executive branch and Congress to arrive at decisions based upon sound national policy judgments.

Conclusions

Out of necessity, covert activities are conducted, and nearly all are approved and monitored, in secret. Because they are not subject to public debate and scrutiny, they must be examined carefully within the practical constraints imposed by the need for operational security. It has been the United States' historic achievement to develop a system of law, using statutes, executive orders, regulations, notification procedures, that provides this scrutiny and protection. The Committees conclude:

(a) Covert operations are a necessary component of our Nation's foreign policy. They can supplement, not replace, diplomacy and normal instruments of foreign policy. As National Security Adviser Robert McFarlane testified, "it is clearly unwise to rely on covert action as the core of our policy."⁹² The government must be able to gain and sustain popular support for its foreign policy through open, public debate.

(b) Covert operations are compatible with democratic government if they are conducted in an accountable manner and in accordance with law. Laws mandate reporting and prior notice to Congress. Covert action Findings are not a license to violate the statutes of the United States.

(c) As the Church Committee wrote more than a dozen years ago, "covert actions should be consistent with publicly defined United States foreign policy goals."⁹³ But the policies themselves cannot be secret.

(d) All Government operations, including covert action operations, must be funded from appropriated monies or from funds known to the appropriate committees of the Congress and subject to Congressional control. This principle is at the heart of our constitutional system of checks and balances.

(e) The intelligence agencies must deal in a spirit of good faith with the Congress. Both new and ongoing covert action operations must be fully reported, not

cloaked by broad Findings. Answers that are technically true, but misleading, are unacceptable.

(f) Congress must have the will to exercise oversight over covert operations. The intelligence committees are the surrogates for the public on covert action operations. They must monitor the intelligence agencies with that responsibility in mind.

(g) The Congress also has a responsibility to ensure that sensitive information from the executive branch remains secure when it is shared with the Congress. A need exists for greater consensus between the Legislative and executive branches on the sharing and protection of information.

(h) The gathering, analysis, and reporting of intelligence should be done in such a way that there can be no question that the conclusions are driven by the actual facts, rather than by what a policy advocate hopes these facts will be.

It has been observed that a country without enemies has no need of an army or an intelligence agency.⁹⁴

The United States of America, as a great power with worldwide interests, will continue to have to deal with nations that have different hopes, values, and ambitions. These differences will inevitably lead to conflicts. History reflects that the prospects for peaceful settlement are greater if this country has adequate means for its own defense, including effec-

tive intelligence and the means to influence developments abroad.

Organized and structured secret intelligence activities are one of the realities of the world we live in, and this is not likely to change. Like the military, intelligence services are fully compatible with democratic government when their actions are conducted in an accountable manner and in accordance with law.

This country has been fortunate to have a military that is sensitive to the constraints built into the Constitution and to the necessity of respecting the Congress' responsibilities. This attitude of the military has won the trust of the American people, as George C. Marshall, the Chief of Staff of the Army during World War II, explained to one of his officers:

But we have a great asset and that is that our people, our countrymen, do not distrust us and do not fear us. Our countrymen, our fellow citizens, are not afraid of us. They don't harbor any ideas that we intend to alter the government of the country or the nature of this government in any way. This is a sacred trust. . . .

Like the military, the intelligence services can function only with the trust and support of their countrymen. If they are to earn that trust, they must heed Marshall's words.⁹⁵